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Federal Communications Commission
Office of Secretary

March 28, 1997

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: CC Docket No. 96-115

Dear Mr. Caton

At the request of the Common Carrier Bureau, ADP hereby files the enclosed letter discussing its position on the proper pricing mechanism for subscriber list information.

Sincerely,

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MAR 2 8 1997

Federal Communications Commission
Office of Secretary

March 27, 1997

Dorothy T. Attwood
Attorney Advisor - Policy and Program Planning Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W. - Room 544
Washington D.C. 20554

Re: CC Docket No. 96-115

Dear Ms. Attwood:

At our last meeting, ADP was asked to provide the Commission with its view on the proper incremental pricing mechanism to be used for subscriber list information provided under Section 222(e) of the Communications Act. As discussed below, ADP supports a capped total service long-run incremental cost ("TSLRIC") approach.[1]

The Commission is well-acquainted with the many benefits stemming from the use of forward-looking total service long-run incremental costs ("TSLRIC"). To minimize disputes over the proper price of subscriber list information, ADP proposes that the Commission adopt TSLRIC

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1 The staff's questions concerning the pricing of subscriber list information are particularly relevant given that subscriber list information arguably could be considered a "network element" such that TELRIC would be the appropriate formula. Section 3(29) of the Communications Act defines a network element as including, among other things, "subscriber numbers, [and certain] databases " In paragraph 500 of the Interconnection Order, the Commission held that "Congress intended the unbundling of databases to be read broadly and could include databases beyond those directly used in the transmission of a telecommunicatons service. See also id. at ¶¶ 535-40 (directory assistance database treated as network element).

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Should you or your staff have further questions, please feel free to call me or Michael Finn. Michael may be reached at (202) 429-4786.

Sincerely,

cc: William Caton

pricing with a rebuttable presumption that all prices of four cents ($0.04) or less per listing represent a proper application of the TSLRIC standard.

The four cent cap should be more than sufficient to recover joint and common costs. The only record evidence before the Commission demonstrates that a BOC's cost per listing is under $0.004.[2] That same record contains BellSouth's recent admission that its tariffed price of four cents ($0.04) per listing of $0.04 represents a "1,300% profit" above "the incremental cost."[3] Thus, a price of four cents per listing is far in excess of a LEC's incremental costs. Consequently, ADP believes that the 1,300% profit margin certainly should provide LECs with a reasonable profit while covering whatever joint and common costs may be attributable to the provision of subscriber lists.

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2 See ADP Ex Parte Letter of March 4, 1997 (containing BellSouth Cost Study). SouthWestern Bell has also stated that its cost per listing is less than $0.01. See id.

3 See id. (containing excerpts from Florida PSC Hearing, Docket No. 931138-TL (Jan. 13, 1997)(statement of BellSouth witness Juneau)).